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ABSTRACT

This report presents the results of a review of state funding for research and public service in the Florida State University System (SUS), focusing on the policy basis for research and public service, the types of SUS research and public service programs and their sources of funding, funding approaches used by other states, expenditure patterns of current SUS programs, and SUS accountability measures. It recommends that the Board of Regents of the SUS should: (1) review the definition of research and public service; (2) rely on more effective measures to assure appropriate emphasis on instruction; (3) develop and maintain system-level management reports; (4) identify problems in research and public service funding; (5) provide guidelines to each university regarding faculty time devoted to research and public service; (6) consolidate funding requests; (7) develop a system-wide definition of what constitutes service to the public schools; (8) develop measures for research and public service; (9) separate visibility for research and public service; and (10) work with the state legislature to de-couple funding provisions for research and public service programs from instructional cost factors. (MDM)

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ED 394 371

STATE FUNDING FOR RESEARCH AND PUBLIC SERVICE IN THE STATE UNIVERSITY SYSTEM

HE 028 997

Report and Recommendations of the Florida Postsecondary Education Planning Commission

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The Postsecondary Education Planning Commission, initially created by executive order in 1980, given statutory authority in 1981 (SS 240.145 and 240.147, Florida Statutes), and reauthorized by the 1991 Legislature, serves as a citizen board to coordinate the efforts of postsecondary institutions and provide independent policy analyses and recommendations to the State Board of Education and the Legislature. The Commission is composed of 11 members of the general public and one full-time student registered at a postsecondary education institution in Florida. Members are appointed by the Governor with the approval of three members of the State Board of Education and subject to confirmation by the Senate.

The major responsibility of the Commission is preparing and updating every five years a master plan for postsecondary education. The enabling legislation provides that the Plan "shall include consideration of the promotion of quality, fundamental educational goals, programmatic access, needs for remedial education, regional and state economic development, international education programs, demographic patterns, student demand for programs, needs of particular subgroups of the population, implementation of innovative educational techniques and technology, and the requirements of the labor market. The capacity of existing programs, in both public and independent institutions, to respond to identified needs shall be evaluated and a plan shall be developed to respond efficiently to unmet needs."

Other responsibilities include recommending to the State Board of Education program contracts with independent institutions; advising the State Board regarding the need for and location of new programs, branch campuses and centers of public postsecondary education institutions; periodically reviewing the accountability processes and reports of the public and independent postsecondary sectors; reviewing public postsecondary education budget requests for compliance with the State Master Plan; and periodically conducting special studies, analyses, and evaluations related to specific postsecondary education issues and programs.

Further information about the Commission, its publications, meetings and other activities may be obtained from the Commission office, 224 Collins Building, Department of Education, Tallahassee, Florida, 32399-0400; telephone (904) 488-7894; FAX (904) 922-5388.

POSTSECONDARY EDUCATION PLANNING COMMISSION

STATE FUNDING FOR RESEARCH AND PUBLIC SERVICE IN THE STATE UNIVERSITY SYSTEM

Prepared in Response to Specific Appropriation 198
of the
1995 General Appropriations Act

January, 1996

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EXECUTIVE SUMMARY

In proviso language accompanying Specific Appropriation 198 of the 1995 General Appropriations Act, the Legislature directed the Postsecondary Education Planning Commission to:

> *examine state funding for research and public service in the State University System. The review shall include: 1) current policies related to these functions; 2) both the level and uses of the funds provided for each of these functions; 3) the benefits derived from these expenditures; 4) a summary of how other states support these functions. A report and recommendation shall be submitted to the State Board of Education and the Legislature by February 1, 1996.*

For the last several years, legislative attention has been focused on accountability in all areas of education. With pressure to increase access to Florida postsecondary institutions, to reduce class size, and to shorten the time to degree for undergraduates, faculty productivity has received increased scrutiny. Universities have been asked to document the time that faculty spend on certain activities, most notably, instruction, research and public service, and to account for the expenditures devoted to those activities. Despite State University System (SUS) efforts to develop program accountability measures in recent years, the 1995 Legislature reduced the FY96 appropriation for public service by thirty percent. State funding for research was maintained at prior levels, despite threats of significant spending reductions. To signal it continuing concern over whether research and public service should continue to be priority investments for the State, the Legislature directed the Commission to conduct this analysis.

In response to this charge, the Commission conducted an extensive series of analyses and public discussions related to the four identified concerns and other related issues. Specifically the Commission reviewed the:

- policy basis for research and public service in the SUS,
- types of SUS research and public service programs and their sources of funding,
- funding approaches used by other states to support research and public service programs,
- expenditure patterns of current SUS research and public service activities, and
- SUS accountability measures for research and public service.

The Commission's specific recommendations for action by the SUS and the Legislature to provide the basis for more effective programs of research and public service for the people of Florida are as follows:

Recommendations:

1. *The Board of Regents should review the definition of research and public service contained in Chancellor's Memorandum CM-87-17.2 to determine what adjustments or revisions to those definitions are needed to clarify the purposes and benefits to be derived from such research and public service activities. The Board should:*

   (a) take into consideration the different missions of the ten state universities when adopting such definitions, but should develop guidelines that are consistent and comparable throughout the SUS, and

   (b) provide a distinction between research that leads to the dissemination of new knowledge from other scholarly activities that enlighten or broaden a professor's range of knowledge or expertise.

   Further, the Board should review the Board of Regents and United Faculty of Florida (BOR/UFF) Collective Bargaining Agreement definitions of research and public service contained in the 1995-1998 Collective Bargaining Agreement to determine what action is needed to bring those definitions into conformity with the CM standard practice definitions of research and public service.

2. *The Legislature should rely on more effective measures (e.g., accountability plans, performance-based budgeting) to assure appropriate emphasis on instruction and remove the impediments to meaningful faculty effort reporting by abolishing the 12-hour law (Section 240.243 F.S.). The Board of Regents should review the faculty activity reports and associated guidelines that are used throughout the system and take steps to ensure that the reporting categories are the same five as those used in the Instruction and Research (I&R) Expenditure Analysis.*

3. *The Board of Regents should develop and maintain system-level management reports similar to those used effectively in other states to monitor the level and nature of sponsored program activity in the State University System. The reports should be designed to include information on the commitments to use state funds to satisfy any cost-sharing requirements to receive external grants.*

4. *The Board of Regents should support the achievement of Goal 5 in the SUS Master Plan by clearly identifying the "critical problems in a rapidly growing state." Once identified, such problem areas should be the focus of a significant portion of the research and public service efforts of the universities.*

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5. ***Once the annual appropriation is determined, the Board of Regents should provide guidelines to each university regarding how much faculty time should be made available for departmental research and public service. Administrators should hold faculty more accountable for performance of activity carried out under research and public service assignments.***

6. ***The Board of Regents should include all research and public service activities that are separately funded at the state level, e.g., the National High Magnetic Field Laboratory, as part of its funding request for I&R centers. Further, the continuing need for, and appropriate funding level of, institutes and centers should be periodically assessed by the Board.***

7. ***To comply with Section 240.245 (2) F.S., the Board of Regents should develop a system-wide definition of what constitutes service to the public schools. The definition should be applicable to all colleges or departments and not just to schools of education. Revisions to the SUS Accountability Plan should include a measure for evaluating service to the public schools.***

8. ***The Board of Regents should develop a limited number of broad but meaningful measures for research and for public service, e.g., the number of projects that address areas of critical state need. Once these measures are developed, the Board should not refine the set of measures on an annual basis but should report the chosen measures consistently over a several year period to enable the analysis and interpretation of trends.***

9. ***As the Board of Regents continues its development of a program framework, separate visibility for research and public service (based on revised definitions as recommended above) should be provided. To the extent possible, the Board should propose the use of the same or a consistent set of measures for performance budgeting as it will adopt for the revised accountability plan.***

10. ***The Board of Regents and the Legislature should work together to de-couple funding provisions for research and public service programs from the instructional cost factors, especially those for undergraduate education. Instead, the Board should develop a formula based on measures of the need for or outcomes of research and public service activities.***

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INTRODUCTION

Legislative Concerns Regarding Utilization of Academic Resources

The Florida Legislature has long demonstrated a strong interest in ensuring that all recipients of state appropriations expend their resources wisely. Over the years, Florida has been regarded as one of the few states that closely monitors agency expenditures through its efforts to control positions, salary rate and expenditures by program, by object and, in some cases, by specific line item.

Since the mid-1980s, however, the Legislature has granted more flexibility to the State University System (SUS) than it has to most other state agencies as to how the universities manage their funds. This change in policy was based on the belief that the SUS could achieve a higher level of productivity through increased flexibility in the deployment of its resources. By making budget adjustments throughout the year rather than being constrained to spending patterns that had been determined before actual student enrollment levels and program preferences were known, a better match between resources and workload was thought possible.

With the granting of additional management flexibility in 1991, the SUS agreed to embark on the development of a comprehensive plan of program accountability. That is, the Legislature expected that the SUS would demonstrate its stewardship to the people of Florida by accounting for results as well as for expenditures. For the past five years, the SUS has worked with legislative staff to develop and refine accountability measures.

During this same time, the Legislature faced growing pressure to fund other state needs. The numbers of students in public schools, prisoners, and those needing state-funded health care services were all increasing at faster rates than the growth in state tax revenues. These circumstances led the Legislature to ask all state agencies, including the SUS, to examine each of their programs in search of more efficient ways to achieve the same or increased outcomes.

Legislative Request for Commission Study

As planned enrollment began to expand significantly in the SUS, the Legislature found itself unable to fund the expected growth using previous budget development approaches. As one possible change in the budgeting procedure, the Legislature challenged the SUS to reconsider the role and priority of its research and public service programs *vis a vis* the need to serve additional numbers of students.

Despite efforts to develop program accountability measures in recent years, SUS leaders found that they were unable to demonstrate satisfactorily to the Legislature that current levels of expenditures for research and public service continued to be priority investments for the State. Through a series of budget negotiations, the final FY96 appropriation to the SUS resulted in a 30 percent reduction (or $9 million less) for public service. State funding for research was maintained at prior levels, despite threats of significant spending reductions. To signal their concern that the issue required further attention, the Legislature included the following proviso in the General Appropriations Act:

> The Postsecondary Education Planning Commission shall examine state funding for research and public service in the State University System. The review shall include: 1) current policies related to these functions; 2) both the level and use of the funds provided for each of these functions; 3) the benefits derived from these expenditures; 4) a summary of how other states support these functions. A report and recommendation shall be submitted to the State Board of Education and the Legislature by February 1, 1996.

In response to this legislative request, the Postsecondary Education Planning Commission carried out an extensive series of analyses and public discussions related to the four identified concerns and related issues. To direct this study, the Commission chairman appointed a Program/Planning Committee under the Chairmanship of Mr. Ivie Burch that included Commission members Ms. Sally Gillespie, Dr. Robert Mautz, Ms. Karen Plunkett, Mr. Edgar Tolle and Mr. Mark Wheeler. Seven public meetings of the Program/Planning Committee were held between June 1995 and January 1996 and included considerable testimony from institutional personnel and members of the Board of Regents staff.

POLICY BASIS FOR RESEARCH AND PUBLIC SERVICE PROGRAMS IN THE SUS

Policy Influences on Research and Public Service

A number of different policy decisions over the years -- some formal and some more subtle -- have contributed to the types of research and public service programs carried out by the state universities. These decisions are reflected in the statutory provisions for research and public service in the SUS, the types of institutions that have been created and the programs that each has been authorized to deliver, the mission statements that have been approved by the Board of Regents, and even provisions contained in SUS administrative procedures and the collective bargaining agreement regarding the types of activities that faculty are expected to perform.

Statutory Authority for Research and Public Service

Research and public service activities are specifically authorized functions for the state system of higher education in Section 240.105 (2) F.S., which states:

> The mission of the state system of postsecondary education is to develop human resources, to discover and disseminate knowledge, to extend knowledge and its application beyond the boundaries of its campuses, and to serve and stimulate society . . . Inherent in this broad mission are methods of instruction, research, extended training, and public service designed to educate people and improve the human condition."

Other evidence of statutory authority for research and public service activities in the SUS can be found in sections pertaining to:

- the duties of the Board of Regents: "The Board of Regents is primarily responsible for . . . reviewing and evaluating the instructional, research and service programs at the universities" (Section 240.209 F.S.),
- the accountability process: "this accountability process (should) monitor performance at the system level in each of the major areas of instruction, research, and public service" (Section 240.214 F.S.),
- funding the SUS: "categorical programs shall be established in the State University System which are not directly related to student enrollment. Such programs shall be based upon the assigned missions of the institutions and shall include, but not be limited to, research and public service programs." (Section 240.271 (2) F.S.)

Other sections of the statutes more specifically address some of the separate expectations for research and public service programs in the SUS. For instance, Section 240.241 (1) F.S. authorizes the creation of divisions of sponsored research at each university "which will serve the function of administration and promotion of the programs of research. . ." In terms of public service, Section 240.245 (2) F.S. directs

the Board of Regents to "establish criteria for evaluating the quantity and quality of service to public schools by university faculty members and shall require consideration of this service in promotion, tenure, and other reward measures."

Institutional Structure of SUS

Since the initial classes were offered by the University of North Florida (UNF) and Florida International University (FIU) in the 1972 fall semester, the SUS has provided its services to the citizens of Florida through nine state universities. In addition to their home campuses, the nine universities operate a network of branch campuses and centers across the State. A tenth state university, authorized by the Legislature in 1991, is scheduled to begin instruction in 1997.

Four of the five younger universities, Florida Atlantic University (FAU), University of West Florida (UWF), FIU and UNF, were originally created as "upper division universities" in response to the Legislature's desire for the SUS to provide its instructional services as efficiently as possible in coordination with the community college system. As originally envisioned, the newer universities were intended to focus on undergraduate and master's level instructional programs, reserving the more costly doctoral education and research missions to the older, more established institutions. Over the past quarter century, however, the combination of institutional and community aspirations and the dramatic population growth of the state have resulted in all nine state universities having doctorate-granting authority and significant research and public service programs.

Although some of the newer and smaller state universities in the SUS seem to be more oriented toward undergraduate education than their sister institutions within the system, each is now a sizable, complex institution by national standards. Even the smallest SUS institution (UWF with an approximate headcount enrollment of 8,000 students) is nearly equal to the national average enrollment of 10,000 students for public four-year colleges and universities.

Further insight into the size and complexity of the SUS can be gained from analysis of the "Carnegie classifications" of SUS institutions. The Carnegie Foundation for the Advancement of Teaching periodically analyzes the mix of instructional and research programs carried out by each college and university in the nation. Based on these analyses, the Carnegie Foundation updates its classifications of institutions. These classifications are commonly regarded as the academic "pecking order" and the rise to a higher category is usually accompanied by self-congratulatory press releases.

As shown in Table 1, Florida's state universities tend to earn positions among the highest classifications, i.e., those institutions with the most significant research and graduate education programs. A comparison of enrollment mix by institutional type shows that nearly 86 percent of Florida's university students, compared to approximately 55 percent nationally, are in doctorate-granting institutions, i.e., those institutions that place less emphasis on undergraduate education and more on research.

While the mix of Florida's institutions shows a greater than average proportion are in the higher classifications, the number of highly classified institutions does not appear

excessive when measured on a per-capita basis. For instance, Florida has an estimated 0.42 doctorate-granting institutions per million population compared to the national average of 0.57. In other words, the relatively high proportion of doctorate-granting institutions in Florida is not because the State has too many of this kind of university, but rather that Florida does not have enough teaching-oriented institutions at the four-year level.

TABLE 1
COMPARISON OF TYPES OF FOUR-YEAR INSTITUTIONS
DISTRIBUTIONS BY CARNEGIE CLASSIFICATION
FLORIDA AND THE NATION

Type of Institution	Distribution of Institutions		Distribution of Enrollment		Institutions per Million Population	
	Florida	Nation	Florida	Nation	Florida	Nation
Total, All Four-Year Institutions	100.0%	100.0%	100.0%	100.0%	0.64	1.94
Doctorate-Granting Institutions	66.7%	29.5%	85.9%	54.8%	0.42	0.57
Research I	22.2%	11.5%	34.4%	29.1%	0.14	0.22
Research II	11.1%	5.1%	18.4%	8.6%	0.07	0.10
Doctoral I	0.0%	5.5%	0.0%	8.2%	0.00	0.11
Doctoral II	33.3%	7.4%	33.2%	8.9%	0.21	0.14
Master's Colleges and Universities	33.3%	53.7%	14.1%	40.4%	0.21	1.04
Master's I	33.3%	48.6%	14.1%	38.3%	0.21	0.95
Master's II	0.0%	5.1%	0.0%	2.0%	0.00	0.10
Baccalaureate Colleges	0.0%	16.8%	0.0%	4.8%	0.00	0.33
Baccalaureate I	0.0%	1.4%	0.0%	0.4%	0.00	0.03
Baccalaureate II	0.0%	15.4%	0.0%	4.5%	0.00	0.30

Source: "A Classification of Institutions, of Higher Education, 1994 Edition," The Carnegie Foundation for the Advancement of Teaching.

Although state leaders can rightfully be proud of the accomplishments of the state universities, the current mix of institutions has resulted in a relatively expensive delivery system for undergraduate education for upper division students. This is because the salaries of faculty and administrators in an institution are heavily influenced by the most costly type of service that it offers. Faculty members who teach both advanced graduate and undergraduate students in a research university are likely to earn significantly more than those faculty who are recruited to an institution that emphasizes undergraduate education. Even those faculty and .administrators at a research university who have no direct involvement in graduate education and research are likely to earn considerably more than their counterparts who perform similar duties at a teaching institution.

Institutional Mission Statements

An examination of the mission statements of each university provides additional insight into how the faculty and administration perceive their institution's academic priorities. Although mission statements are sometimes challenged over whether they provide an accurate portrayal of current conditions, few doubt that they are strong indicators of future behavior.

All nine state universities embrace the tripartite mission of instruction, research and public service in their mission statements. However, the University of Florida (UF), Florida State University (FSU) and University of South Florida (USF) statements

underscore their commitment to graduate education, research and public service that extends beyond the region, community and State. The other institutions express a stronger commitment to undergraduate education and regional and community research and service goals.

EXCERPTS FROM UNIVERSITY MISSION STATEMENTS AND GOALS RELATED TO PUBLIC SERVICE AND RESEARCH

University of Florida: "Is a public, land-grant research university...Its faculty and staff are dedicated to the common pursuit of the University's threefold mission: education, research, and service. Research and scholarship are integral to the education process and to expanding humankind's understanding of the natural world, the mind, and the senses. Service is the University's obligation to share the benefits of its knowledge for the public good."

Florida State University: "The University's primary role is to serve as a center for advanced graduate and professional studies while emphasizing research and providing excellence in undergraduate programs....provides service to the public in accord with its statewide mission. Faculty members have been selected for their commitment to excellence in teaching, their ability in research and creative activity, and their interest in public service."

Florida A & M University: "A general purpose institution [that] places great emphasis on instruction, research, and service. The fact that it is a land-grant institution mandates that Florida A&M University give high priority to continuing education and the public service component."

University of South Florida: "A multi-campus, comprehensive, research university strongly committed to the balanced pursuit of excellent teaching, significant research, and useful public service...The university accomplishes its research mission by building on existing program strengths, by fostering effective, cross-disciplinary approaches and by contributing to the resolution of social, cultural, economic, medical and technological challenges facing the largely metropolitan populations of our state and country."

Florida Atlantic University: "A multi-purpose institution with a three-fold mission-teaching, research and public service. FAU's research goal is to pursue excellence university wide in discipline based and multidisciplinary research with particular responsiveness to the problems of the Southeast region of Florida. The university is responsible for providing academic programs and public services to the counties of . . ."

University of West Florida: "Each university must make choices of curricular offerings, research programs, applications, and public services. UWF makes such decisions determined to enhance our strong record of synergism among teaching and learning, research, and public service. [The University] welcomes our obligation to meet the needs of the West Florida region, the State, and the nation through research, creative activities, and public service."

University of Central Florida: "UCF is a growing metropolitan university with the responsibility to deliver a comprehensive program of teaching, research and service ....Basic and applied research, as well as creative activity, are integral parts of a quality education. Service to its community is an important extension of the teaching and research mission of the University. Public service is prominent at UCF. "

Florida International University: "A comprehensive, research institution... the University's academic programs are designed to generate new knowledge through a vigorous and ambitious commitment to research in all academic disciplines, to serve the university's external community with special attention to (local) counties, enhancing South Florida's capacity to meet its cultural, economic, social and urban challenges."

University of North Florida: "A comprehensive, urban university... since its founding, UNF has demonstrated a continuing commitment to its mission of excellence in teaching, research, and public service...the conduct of research must inform teaching and address critical community and regional needs."

Source: University catalogs

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Systemwide Definitions of Research and Public Service

The nature of research and public service programs are further established by the definitions used to describe faculty activity. Unfortunately, faculty in the SUS can find guidance on their research and public service efforts from several system-level documents that provide somewhat differing interpretations of what constitutes research and public service, respectively. Further, campus-specific definitions and guidelines also contribute to differences in interpretation.

The SUS Standard Practice for the I&R Data File and 12 Hour Law discusses research and development that is ordinarily managed within academic departments. The definition states that research activities usually have stated goals or purposes and projected outcomes, and may be created for specific periods as a result of a contract, grant or specific allocation of institutional or system resources.

The BOR Collective Bargaining Agreement with the United Faculty of Florida (UFF) defines research as the "contribution to the discovery of new knowledge, development of new educational techniques, and other forms of creative activity. Evidence of research and other creative activity shall include, but not be limited to, published books; articles and papers in professional journals; musical compositions, painting, sculpture; works of performing art; papers presented at meetings of professional societies; and research and creative activity that has not yet resulted in publication, display, or performance." That is, the definition in the BOR/UFF Collective Bargaining Agreement is more inclusive than the Standard Practice in the types of faculty activity that are defined as research.

Finally, the SUS 1994 Revised Accountability Report states that "Broadly there are two types of research undertaken at SUS universities. In the first, faculty primarily research, and they may be involved in bringing in thousands or even millions of dollars to their institutions in the form of contracts, grants and fees for services rendered. This research tends to be often highly visible. In the second, and more prevalent type, faculty who primarily teach also carry on research. A (usually minor) portion of the salaries of these faculty is paying for the reading, experimenting, writing, and thinking associated with their research which, ultimately, translates into classroom enhancement."

Public service, according to the SUS Standard Practice for I&R Data File and 12 Hour Law, "extends the professional and/or discipline-related services of individuals to the community, the State, or the nation. This includes service in professional organizations and academic or professional student organizations. The primary intent is to provide professional and/or discipline-related services, other than instruction, that are beneficial to groups and individuals. . . The service must extend the professional and/or discipline-related services of the individual." The Standard Practice further clarifies that separately compensated consulting assignments carried out by faculty members are not to be reported as public service.

The BOR Collective Bargaining Agreement with the United Faculty of Florida, on the other hand, suggests that professional service is "service that is related to and furthers the mission of the university, including service on departmental, college, and university

committees, councils, and senates; service in appropriate professional organizations; participation in professional meetings, symposia, conferences, workshops; service on local, state, and national governmental boards, agencies, and commissions; and service to public schools." The primary difference in the two definitions is that the Standard Practice addresses *public* service, while the BOR/UFF Collective Bargaining Agreement deals with the broader (but similarly titled) concept of *professional* service.

Summary of Policy Basis for Research and Public Service

Florida Statutes clearly establish an expectation for research and public service in the State University System. However, the combination of the limited number of institutions, the relatively large size of the institutions, and the aspirations of both campus and community leaders has contributed to an unusually high proportion of higher cost, research-oriented universities in the State. Further, the several definitions of what types of faculty effort constitute research and public service, especially those definitions incorporated in the BOR/UFF Collective Bargaining Agreement, create a perception that the SUS is dedicating a higher proportion of its resources to research and public service than may be intended by the Legislature in making its appropriation. In addition, the I&R Expenditure Analysis, derived from figures based on faculty activity as reported by each institution, may be affected by this variability of definitions.

TYPES OF SUS RESEARCH AND PUBLIC SERVICE PROGRAMS AND THEIR FUNDING SOURCES

Overview of SUS Funding

State universities in Florida receive funding to cover the costs of annual operations from a variety of different sources. Some of the funding streams come with relatively few strings attached and are intended to assist the university in offering the full range of its instruction, research, service and support programs. Other revenue sources, including many of those that provide funds for research and public service programs, are considered to be restricted to expenditures for a specific purpose. Externally sponsored research and service programs almost always are restricted while state funded programs can be either unrestricted or designated.

Table 2 shows the relative magnitude and mix of funding for the SUS in FY94, as reported to the U.S. Department of Education. Slightly under one-half of all SUS resources came from the state general appropriation. Student tuition and fees and grants and contracts were also major sources of revenue for the SUS.

Sponsored Programs

A major and perhaps the most visible portion of the SUS research program is not directly funded by the State but rather by agencies and organizations external to the university. Accounting records classify four types of external sponsors of contracts and grants:

- agencies of the federal government,
- state agencies (other than the legislative appropriation),
- local government agencies, and
- private foundations and businesses.

TABLE 2
REVENUE BY SOURCE
STATE UNIVERSITY SYSTEM OF FLORIDA 1993-94

Financial reporting category	Total	%
Source of Funds		
Tuition and Fees	$344,693,009	14.4%
Federal Appropriations	7,502,820	0.3%
State Appropriations	1,089,291,767	45.5%
Federal grants and contracts	298,891,689	12.5%
State grants and contracts	105,689,428	4.4%
Local grants and contracts	3,931,859	0.2%
Private gifts, grants and contracts	232,769,939	9.7%
Endowment income	248,062	0.0%
Sales and Services	38,840,547	1.6%
Auxiliary enterprises	256,807,181	10.7%
Other sources	13,833,627	0.6%
Total current funds revenues	$3,392,499,928	100.0%
Percent	100%	

Source: *Institutional submissions to the IPEDS Finance survey conducted by the National Center for Education Statistics*

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Table 2 above shows the relative amounts of external support for each university and the overall SUS for 1993-94 from each source. State grants and contracts accounted for only about one-sixth of all SUS contract and grant revenue in 1993-94.

Although sponsored projects are funded by external agencies and accounted for in separate budgets, university general fund activities often are involved as well. One common requirement by external sponsors is that the university demonstrate its commitment to the research or service program through some type of "cost-sharing" or matching arrangement. For instance, the university may pledge to support a portion of the professor's time who is serving as principal investigator if the external sponsor will cover the costs of additional personnel (e.g., technicians, graduate research assistants), operating expenses and equipment. Current SUS accounting and reporting procedures do not readily provide the dollar amount of SUS resources that are currently pledged under such cost-sharing arrangements.

A second way that sponsored programs and general fund budgets become intertwined in support of research and public service programs is through the indirect cost reimbursement procedure. A typical contract or grant for a sponsored project provides that the funding agency will pay for both certain direct costs of the project (e.g., salaries of project personnel, supplies, equipment, etc.) as well as for the indirect costs incurred by the university in support of the project (e.g., utilities, services provided by the personnel and purchasing departments, library and computing resources, etc.). In earlier years, SUS institutions were required to deduct the amount of any indirect cost reimbursements from their general fund request for appropriations from the state. More recently, however, SUS institutions have been allowed to retain such reimbursements, which are often used as "seed money" to assist researchers attract additional external resources, as well as to reimburse the universities for added support costs.

Separately Budgeted State Programs

A substantial portion of the state appropriations for SUS research and public service are separately identified for specific activities or organizations. Within the educational and general (E&G) budget, the Legislature funds a line item for "Type 1 I&R centers," which include such activities as the Florida Sea Grant College, the Florida Institute of Government and the Florida Institute of Oceanography. Also, the Legislature makes other special allocations in the formula-generated portion of the budget, where such activities as the National High Magnetic Field Laboratory have been designated for support. Type 1 I&R centers and research-related line items account for approximately two and eight percent, respectively, of the total E&G expenditures for instruction, research and public service.

Departmental Funded Programs

A significant amount of state-funded research and public service is provided as a by-product of the instructional funding formula. Generally speaking, the current funding model provides additional resources for research and public service for every instructional dollar that has been determined by a formula based on planned enrollment levels and instructional cost factors for undergraduate and graduate instruction.

The design of the formula, which links the level of research and public service funding to the funding for instruction, is premised on the belief that research and public service responsibilities are integral parts of the typical faculty assignment. The mathematical relationships between undergraduate instruction and research and public service in the new SUS funding methodology are shown in Table 3. For every dollar that the formula provides for enrollment growth at the undergraduate level, an additional $0.40 is generated for research and public service.

Except for the special allocations described above, expectations for the formula-generated research and public service appropriations are neither specified or controlled at the state- or system-levels. In fact, the most common practice is for these allocations to be determined as part of the faculty assignment process at the school or department level. Based on limited contact with school and department administrators, the research and public service assignments are typically made only after the scheduled courses to be offered by the academic unit have been covered.

TABLE 3
ESTIMATED EXPENDITURES AND COST FACTORS FOR INSTRUCTION, RESEARCH AND PUBLIC SERVICE PROGRAMS SUS NEW FUNDING METHODOLOGY

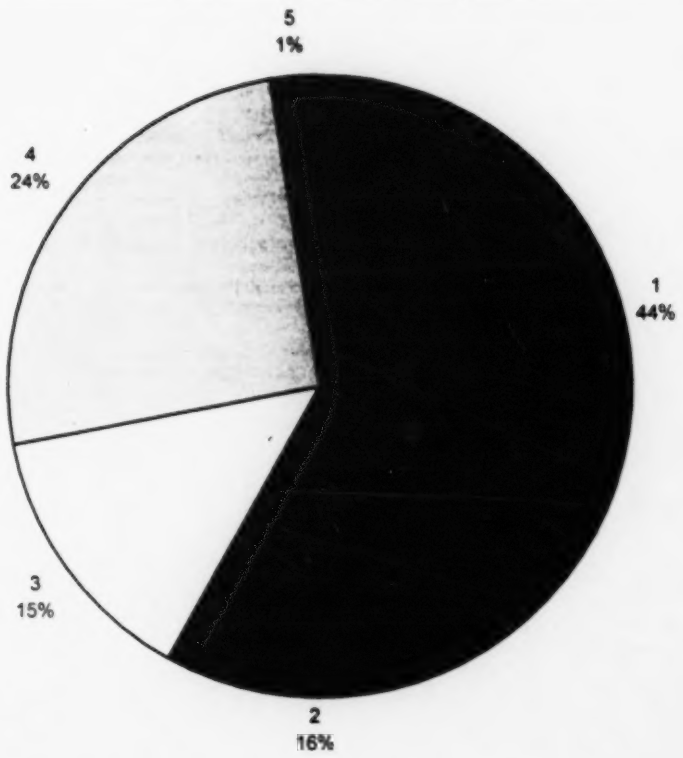
Program Category	Estimated expenditures per Student FTE	Cost Factor
Undergraduate Instruction	$3,216	1.00
Graduate Instruction	8,307	2.58
Academic Advising	324	0.10
Academic Administration	905	0.28
Public Service	150	0.05
Research	1,113	0.35

Source: 1995-96 Enrollment Workload Appropriation

Summary of SUS Funding for Research and Public Service

Although the standard financial statements for colleges and universities do not report sources of funding for research and public service separately from funding sources for other institutional activities, an estimate can be developed by combining data from several different sources, including reports from the divisions of sponsored research and the educational and general expenditure analysis. As shown in Table 4, the major share of research activity in the SUS (approximately 44%) is funded by federal contracts and grants. About 15 percent of research and public service funding comes from private gifts, grants and contracts, about 16 percent is from contracts with other state agencies, about one percent is designated in the SUS state appropriation for Type 1 I&R centers, and 24 percent is through the enrollment-based funding formula.

TABLE 4
ESTIMATED SOURCES OF FUNDING
FOR RESEARCH AND PUBLIC SERVICE
STATE UNIVERSITY SYSTEM OF FLORIDA
1993-94



Legend
1-Federal
2-State/Local
3-Private/Other
4-Departmental and other I&R Centers
5-Type 1 I&R Centers
Sources: SUS Expenditure Analysis and SUS summary of divisions of sponsored program reports. Excludes special unit budget entities.

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FUNDING APPROACHES AND PATTERNS FOR RESEARCH AND PUBLIC SERVICE IN OTHER STATES

State Funding Models for Research

Similar to the practice in Florida, research activity at institutions of higher education in other states can be differentiated between departmental research and organized research. Departmental research includes those research activities specifically assigned to a faculty member by the head of a department or departmental committee. Such activities may contribute to the professional development of a faculty member and may lead to publication or some other form of scholarly recognition.

Activities that are intended to produce specific outcomes are classified as organized research. This category includes both activities carried out with institutional funds and those carried out under the auspices of external sponsors (e.g., governmental agencies, industry). Organized research may be carried out by special units such as research centers and institutes, or may be carried out on an individual or project basis. Historically, the federal government, not state governments, has been the primary sponsor of organized research at institutions of higher education.

States fund these research activities through four methods, and some states use a combination of two or more of these methods:

- Formulas,
- Base budgets plus some annual adjustment,
- Grant programs, and
- Special projects initiated by the legislature or executive branch.

Each of these approaches are described in the following sections.

Formula Funding of Research. Eighteen states are known to use a formula to allocate funds for research. Their formulas can be differentiated between two techniques, both of which are typically directed to funding departmental research activities. The first provides funding for research as a byproduct of a formula for another activity -- typically instruction. Within such formulas, research funding is generated based on a percentage of the funding generated for the other activity or as a ratio of one FTE faculty member per *X* number of FTE faculty generated for the other activity. Nine states use this method: California, Florida, Georgia, Kansas, Louisiana, Maryland, Minnesota, Montana and West Virginia.

The second technique relies on a separate formula for providing funds for the research functional area. The formula allocation is typically expressed as a proportion of external research dollars, or as a set funding rate per doctoral degrees produced. Nine states employ this method: Alabama, Arkansas, Kentucky, Mississippi, Oklahoma, Oregon, South Carolina, Texas and Tennessee. (Table 5 provides information for these states that use formulas to fund research.) Selected formula descriptions are:

- ***Alabama***. Alabama's budget formula for research provides two percent of Instruction and Academic Support allocations, plus five percent of sponsored research dollars expended in the last year for which actual data were available.

- ***Arkansas***. Arkansas allocates a varying percentage of teaching salaries for research depending on the type of institution.

- ***Kentucky***. Kentucky uses a formula that provides the greater of 30 percent of total sponsored research dollars or the base.

- ***Mississippi***. Mississippi allocates a dollar amount per doctoral degree conferred, with the rate based on discipline.

- ***South Carolina***. South Carolina allocates 25 percent of the prior year's sponsored and non-general fund research expenditures.

- ***Texas***. Texas allocates an amount to each institution equal to the number of full-time equivalent faculty multiplied by a base dollar rate increased by inflation each year.

TABLE 5
OVERVIEW OF STATE FUNDING FORMULAS FOR RESEARCH

	Base Factor Used			Differentiation		
	Instruction Funding	Research Funding	Doctoral Degrees	Discipline	Student Level	Type of Institution
Alabama	X	X		X	X	
Arkansas	X			X	X	X
Kentucky		X				
Mississippi			X	X		
Oklahoma			X	X	X	X
Oregon		X				X
South Carolina		X				
Tennessee		X				X
Texas	X					
Florida	X					

Source: Analysis by Daniel T. Layzell of formula materials submitted by state higher education boards

As indicated in Table 5, some states recognize variances in type of institution or mission and discipline in their research formulas.

Base Budgets. This method refers to research-related funds that are already in the state-funded portions of public college and university budgets. These amounts are often used for departmental research and/or to leverage sponsored research dollars in some way, although some states fund state-sponsored organized research centers via this method. Also, these amounts are not typically allocated to any specific purpose. Changes in base funding levels for research are usually related to inflationary increases, matching requirements, and/or workload increases. States may also use base budget reallocations from other activities, and not new dollars, to fund research. States that

have employed this method, either directly or indirectly, include Arizona, Illinois and Wisconsin.

Grant Programs. This approach is similar to the formula funding method in that it provides a discrete amount of funding for research-related activities based on certain criteria. These grant programs can allocate funds via either a competitive or "entitlement" mode. One state utilizing the competitive mode is Nebraska. The main policy objective of Nebraska's program is the:

> "improvement of research to attract non-state funding from private industry and the federal government. The allotment of grant funds are to develop and invite collaboration between industry and university researchers."

These funds ($12.3 million in FY 1995) are allocated by a committee of educators, state officials and industry representatives using performance criteria and measures determined annually by the committee.

Illinois is an example of a state that utilizes the "entitlement" mode for allocating research funds via grant programs. Since the early 1980s, the State Board of Higher Education has allocated funds through an Engineering Equipment Grant program for engineering laboratory equipment or computer software. Every institution in the State with an engineering program that confers baccalaureate degrees and is recognized by the State Department of Professional Regulation is eligible for these funds ($2.5 million total in FY 1995). Grant amounts are determined on the basis of a maximum grant rate of $1,200 per baccalaureate degree conferred in the previous year. The rate is prorated if the total amount appropriated for the program is not sufficient to fund the maximum rate given the total number of baccalaureate degrees in engineering. The one program requirement is that each institution must also obtain matching funds or in-kind contributions equivalent to the grant amount from sources other than state appropriations or tuition and fees.

Special Legislative Projects. The final method by which states provide funding for research is through research projects specifically mandated by the legislature. Typically, an amount is provided in the annual (or biennial) appropriations act for an applied research project of direct relevance to the state. Depending on the state, the amount may either be appropriated directly to an institution or governing board, or to a state agency for further allocation. These funds typically come with set project completion and reporting dates. Virtually all states have used this method at one time or another for funding research projects.

State Funding Models for Public Service

Public service activities are intended to make available to the public the unique resources and capabilities of the institution for the specific purpose of responding to a community need or solving a community problem. These activities include continuing education instruction (both credit and non-credit), cooperative extension services, public broadcasting services, and consulting/outreach activities performed by university faculty

and staff. The genesis of this concept came about with the establishment of the original land grant institutions in the latter half of the 1800s.

States fund public service activities through three methods and, as with research funding, states may use a combination of two, or all three to meet their needs:

- Formulas,
- Base budgets plus some annual adjustment, and
- Special projects initiated by the legislature or executive branch.

Each of these methods are described in the following sections.

Formula Funding of Public Service. As with research, the 14 states using a formula to allocate funds for public service employ one of two formula techniques. The first technique provides funding for public service via a combined formula for another activity, or combination of activities -- typically instruction and support activities. Under this method, public service funding is expressed as a percentage of the funding generated for the other activity, or as a ratio of one FTE faculty member per **x** number of FTE faculty generated for the other activity. Six states use this method: California, Florida, Kansas, Mississippi, Montana and West Virginia.

The second method uses a separate formula for providing funds for the public service functional area. Eight states employ this method: Alabama, Arkansas, Georgia, Kentucky, Louisiana, Oklahoma, South Carolina and Tennessee. Table 6 provides information for the states that use formula approaches to fund public service. Selected formula descriptions are listed below:

> ***Alabama***. Alabama's budget formula for public service provides two percent of Instruction and Academic Support allocations.
>
> ***Arkansas***. Arkansas allocates a varying percentage of teaching salaries for public service depending on the type of institution, ranging from 1.5 percent to 3 percent.
>
> ***Georgia***. Georgia's formula provides a basic level of staffing for each institution; continuing education is funded at a set rate per continuing education unit.
>
> ***Kentucky***. Kentucky uses a formula that provides the greater of one percent of instructional dollars or the base.
>
> ***South Carolina***. South Carolina allocates 25 percent of the prior year's sponsored public service expenditures.
>
> ***Tennessee***. Tennessee allocates a base amount plus a percentage of instruction to each institution.

Base Budgets. This method refers to public service-related funds that are already in the state-funded portions of public college and university budgets. These amounts are usually for continuing education, cooperative extension, and/or public broadcasting operations. Changes in base funding levels for public service are usually related to inflationary increases, federal matching requirements (in the case of cooperative extension), and/or workload increases. As with research, states may also use base reallocations from other activities to fund public service. Most states employ this method for some portion of their state-funded public service activities.

TABLE 6
OVERVIEW OF STATE FUNDING FORMULAS FOR PUBLIC SERVICE

	Base Factor Used			Differentiation		
	Instruction Funding	FTE Faculty	Other	Discipline	Student Level	Type of Institution
Alabama	X			X	X	
Arkansas	X			X	X	X
Georgia	X	X				
Kentucky	X		X1	X	X	X
Louisiana	X			X	X	X
Oklahoma	X			X	X	X
South Carolina			X2			
Tennessee		X		X	X	X
Florida	X					

Source: Layzell, *op cit*

1Kentucky also funds cooperative extension activities at their two land grant institutions using a set rate per county served.

2 South Carolina funds public service at 25% of sponsored public service expenditures.

Special Legislative Projects. The final method by which states provide funding for public service activities is through specifically mandated public service projects. Typically, an amount is provided in the annual (or biennial) appropriations act for an applied service project of direct relevance to the state. Depending on the state, the amount may either be appropriated directly to an institution or governing board, or to a state agency for further allocation. These funds typically come with set project completion and/or reporting dates. Virtually all states have used this method at one time or another for funding public service.

FINANCIAL PROFILE OF SUS RESEARCH AND PUBLIC SERVICE ACTIVITY

Current Expenditure Comparison: Variance Among SUS Institutions

Reporting a single percentage of expenditures for either research or public service for the SUS masks the considerable variance in spending patterns of the nine individual universities. For instance, FSU spends 33 percent more on research than the system average (23.5% versus 17.6%), while FAMU spends 45 percent less. Likewise for public service, USF spends 52 percent more than the system average (4.7% versus 3.1%), while UWF spends 55 percent less. Table 7 summarizes the relative proportions of total educational and general academic expenditures for research and public service for each of the nine universities.

TABLE 7
STATE UNIVERSITY SYSTEM OF FLORIDA
DISTRIBUTION OF EXPENDITURES BY PROGRAM COMPONENT
1993-94

Academic Activity	UF	FSU	FAMU	USF	FAU	UWF	UCF	FIU	UNF	SUS
Instruction	62.5%	56.7%	60.4%	59.4%	61.2%	70.2%	60.0%	56.7%	66.5%	60.1%
Research	14.9%	23.5%	9.7%	17.7%	17.7%	10.0%	17.7%	21.6%	10.1%	17.6%
Public Service	3.0%	2.7%	2.2%	4.7%	1.8%	1.4%	2.4%	3.9%	3.5%	3.1%
Academic Advisement	5.5%	2.4%	8.9%	4.5%	6.7%	5.8%	4.0%	5.3%	4.4%	4.9%
Academic Administration	14.2%	14.7%	18.8%	13.7%	12.5%	12.6%	15.9%	12.5%	15.4%	14.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

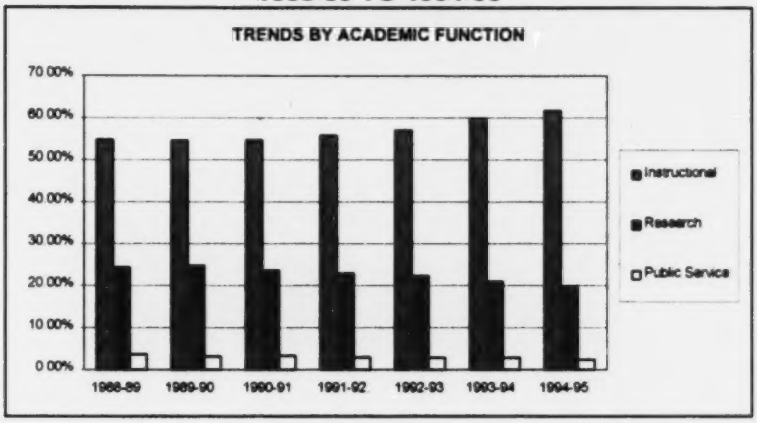
Source: SUS Expenditure Analysis, as revised to eliminate EIES sponsored funds

Position Deployment Trends in the SUS

Although the most visible tension between funding for research and public service versus funding for instruction surfaced during the 1995 Legislative Session, the pressure has been developing over a longer period of time. In fact, the individual universities have been facing this issue in their internal resource allocations for a number of years as increases in state funding have failed to keep pace with actual enrollment growth.

The results of faculty assignments over the past seven years in the SUS are summarized in Table 8. It shows that the proportion of I&R man-years dedicated to Instruction seems to have increased from 54.79 percent to 61.66 percent over the past seven years. During the same period, the proportions dedicated to Research and to Public Service have dropped by 19 and 33 percent, respectively. Although not illustrated, the proportions for Academic Advisement and Academic Administration also have dropped slightly.

TABLE 8
MAN-YEARS BY PROGRAM COMPONENT
STATE UNIVERSITY SYSTEM OF FLORIDA
1988-89 TO 1994-95



Percent of I&R Resources

Year	Instructional	Research	Public Service
1988-89	54.79%	24.31%	3.75%
1989-90	54.57%	24.78%	3.24%
1990-91	54.69%	23.61%	3.46%
1991-92	55.75%	23.00%	3.01%
1992-93	57.05%	22.35%	2.90%
1993-94	59.77%	20.98%	2.91%
1994-95	61.66%	19.72%	2.50%
7-Year Change	13%	-19%	-33%

Source: SUS Expenditure Analysis, various years, Report VI
Note: Data for 1994-95 have been adjusted for EIES to preserve continuity in reporting

Some observers express concern that institutional summary-level data on faculty activity may be misleading since these reports combine the efforts of regular faculty, adjunct faculty and graduate teaching assistants. An October 1994 report by the Office of Program Policy Analysis and Government Accountability suggests that "Faculty may be teaching more, but adjuncts are playing a greater role in serving the increased student enrollment."

Expenditure Trends in the SUS

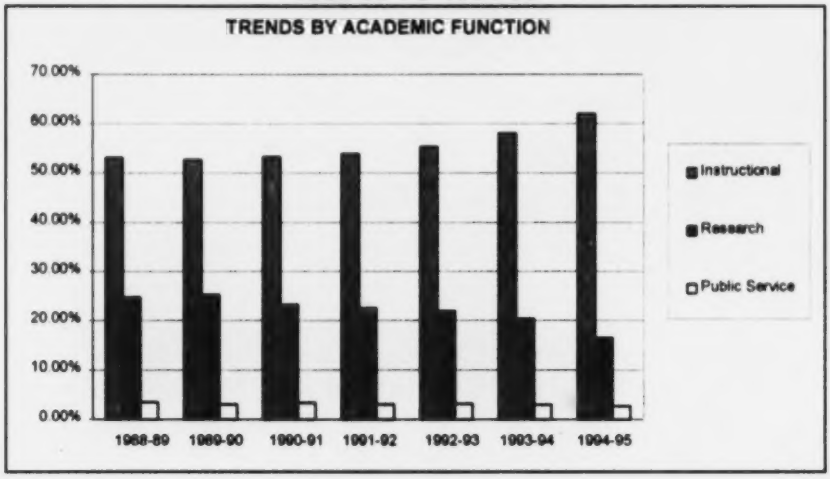
Table 9 shows the proportion of Type 1 I&R expenditures dedicated to Instruction seems to have grown by 17 percent over the past seven years, from 53.02 percent to 62.00 percent. To achieve this increased emphasis on Instruction, the proportions dedicated to Research and Public Service have dropped by 33 and 23 percent, respectively. The percent spent on Academic Advisement and Academic Administration (not shown) were virtually unchanged over the same period.

Not surprisingly, the trend in academic expenditures follows the same general pattern as was found for position deployment. The exact numbers vary somewhat, of course, due to the past tendency for more senior and highly paid faculty to have a greater proportion of their time assigned to research and to the differences in need for equipment and other types of direct support.

Summary of Research and Public Service Spending in the SUS

Analysis of trends covering recent periods indicate that the SUS has been spending a significantly higher proportion of its available resources on instruction and less on research than in earlier years.

TABLE 9
EXPENDITURES BY ACADEMIC FUNCTION
STATE UNIVERSITY SYSTEM OF FLORIDA
1988-89 TO 1994-95



Percent of I&R Resources

Year	Instructional	Research	Public Service
1988-89	53.02%	24.70%	3.52%
1989-90	52.67%	25.27%	3.10%
1990-91	53.26%	23.27%	3.36%
1991-92	53.79%	22.48%	3.09%
1992-93	55.24%	21.97%	3.12%
1993-94	58.08%	20.34%	2.99%
1994-95	62.00%	16.51%	2.72%
7-Year Change	17%	-33%	-23%

Source: SUS Expenditure Analysis, various years, Report I
Note: Data for 1994-95 have been adjusted for EIES to preserve continuity in reporting

REPORTING AND ACCOUNTABILITY FOR SUS RESEARCH AND PUBLIC SERVICE

Faculty Effort Reporting

A significant portion of the research and public service resources in the SUS institutions are not separately budgeted, but rather included in the overall budget of academic departments. Since these resources are not separately budgeted, traditional financial statements do not distinguish expenditures for such departmental research and public service from those for instruction. In order to break out estimates of spending for research and public service funded in this way, the SUS relies on a faculty activity reporting (FAR) system. This means that the accuracy of SUS reports on expenditures for research and public service are highly contingent on the accuracy of the faculty effort reporting system.

The current SUS faculty effort reporting system has its origins in the so-called "12-hour law" (Section 240.243 F.S.), which was enacted in 1971. The 12-hour law requires that each full-time-equivalent teaching faculty member teach a minimum of 12 contact hours per semester. The law further provides, however, that other faculty duties such as research and public service can be converted to classroom contact hours to fulfill the 12-hour requirement. Over the years, the procedures for assigning faculty duties and preparing faculty activity reports have been developed, refined and documented in a Chancellor's Memorandum and the Collective Bargaining Agreement.

Subsequent to the implementation of the faculty assignment reporting process for compliance with the 12-hour law, the SUS also was directed to develop annual expenditure analyses for use in the budget process. Among other details, these reports break out estimated expenditures by academic program for five types of faculty activity:

- instruction by level,
- research,
- public service,
- academic advisement, and
- academic administration

The basis for this breakout is a faculty activity report that is linked to the faculty assignment process that is used to comply with the 12-hour law.

As part of its analysis of state funding for research and public service in the SUS, staff spent considerable time in analyzing the faculty effort reporting system. A small sample of faculty assignments and activity reports was drawn from each of the universities. This analysis concluded that:

- the application of the 12-hour law is in no way an accurate or consistent measure of all faculty activity, particularly for non-instructional activity,

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- there is great variance in how faculty assignments and evaluations are made, what percentages of effort are assigned to those activities, and how the faculty activity reports are completed even within the same institution, and
- the several definitions for research and public service in the Chancellor's Memorandum and the Collective Bargaining Agreement are inconsistent with one another and are interpreted differently across the departments and institutions.

In short, the current faculty assignment reporting system is seriously flawed as a tool both for complying with the 12-hour law and for measuring expenditures for non-instructional academic programs.

Financial Accountability

The major component of SUS accountability for its research and public service programs over the years has been the financial reports. Financial statements, which specify expenditure levels for research and public service, have been presented in essentially the same format for a number of years. Certain financial statements are audited regularly by the Office of the Auditor General.

Nonetheless, the multitude of financial reports produced by the SUS central staff and the institutions often provide an inconsistent picture of research and public service activity in the System. Reports provided for the Auditor General, the State Comptroller, the Office of Planning and Budgeting, the federal government and others indicate differing levels of activity during the same year. As a limited example of such differences, Table 10 shows that reported expenditures for research varies by more than 65 percent and for public service by over 300 percent. The reasons for these differences can be readily explained (e.g., the levels of aggregation used on the budget versus the expenditure analysis, availability of data by submission deadlines, etc.). Nonetheless, the existence of conflicting reports adds to the confusion about the level of state resources for research and public service.

TABLE 10
REPORTED DIFFERENCES IN EXPENDITURES FOR
RESEARCH AND PUBLIC SERVICE STATE UNIVERSITY SYSTEM OF FLORIDA
1993-94

Function of Expenditure	Operating Budget	Expenditure Analysis	Difference
Instruction	$ 562,341,741	$ 444,984,510	$ 117,357,231
Research	93,926,640	155,813,547	-61,886,907
Public Service	5,220,363	22,881,321	-17,660,958
Academic Advising	5,427,441	35,998,362	-30,570,921
Computing Support	15,918,620	0	15,918,620
Academic Advisement	85,509,097	106,526,581	-21,017,484
Total I&R Expenditures	$ 768,343,902	$ 766,204,321	$ 2,139,581

Sources: (1) Board of Regents 1994-95 Operating Budget Summary (actual expenditures for prior 1993-94 fiscal year)
(2) 1993-94 Expenditure Analysis, Education and General

Programmatic Accountability

As noted in the introduction, the SUS has been developing an accountability process since 1991. Separate accountability goals and measures have been created for research and public service as part of this activity and have been included in periodic reports.

Due to the relative lack of a successful state or national precedent for developing system-wide accountability measures for certain types of academic activity, progress has been slow to achieve. Further, the continuing audit criticisms about the accountability measures proposed by the SUS have contributed to considerable change in the treatment for research and public service over the past several years. As a result, the measures for research and public service have yet to gain any significant level of usefulness in informing the Legislature and the general public about the outcomes of these SUS programs. Table 11 illustrates the changing treatment of research and public service programs in the SUS accountability reports.

Performance-Based Budgeting

In yet another accountability effort in 1994, the Legislature called for a new performance budgeting system when it adopted the Government Performance and Accountability Act, which calls for "a budget that incorporates approved programs and performance measures" (Section 216.011 F.S.). The SUS response to a new performance-based budgeting model will provide a new opportunity to demonstrate accountability for research and public service.

The SUS is still in the early stages of establishing its framework for responding to the legislative directive to develop a program-based budgeting system. Early materials that have been prepared, however, suggest that research and public service will be separately identifiable programs in the proposed model. The next stage in the planning process for

the new budget model calls for the development of performance measures and the identification of outputs, outcomes, baseline data and standards for each program. (See Table 11 on page 25)

Comparison to Accountability Approaches in Other States

As suggested above, no strong precedents exist for accountability measures for research and public service programs, especially when aggregated at the system level. Instead, much of the effort in documenting program outcomes seems to be focused more on programs, departments and colleges where more discrete performance measures can be identified and reported.

Nonetheless, state systems of higher education in other states do carry out extensive reporting activities for their research and public service programs, particularly for externally sponsored programs. The General Administration staff of the University of North Carolina system prepares monthly and annual reports for its Board of Governors and the general public describing the projects, level of activity and trends in sponsored programs. Their annual report, for example, includes details on:

- proposals submitted by institution and by category (e.g., research, public service, training) during the most recent year,
- awards received by institution and by category during the most recent year,
- proposals and awards by discipline,
- awards received by funding agency,
- multi-year trends in proposals and awards by institution and by category,
- multi-year trends in proposals and awards by discipline, and
- multi-year trends in awards by funding agency.

Since the same general format has been used for a number of years, assessments can be made about whether the universities' performances are improving.

Summary of Accountability Efforts for Research and Public Service

While the SUS is involved in a variety of different accountability efforts, each is of limited value in measuring the performance of research and public service programs. The SUS has yet to adopt and consistently report the same set of program accountability measures for research and public service. This problem is likely to become even more critical as the SUS moves toward implementation of performance budgeting. Further, well documented but unresolved shortcomings in the faculty workload reporting system make expenditure reports suspect. Finally, differences in reported expenditure levels for research and public service programs in various SUS financial reports further contribute to confusion in ascertaining levels of state support.

TABLE 11
EVALUATION OF ACCOUNTABILITY MEASURES FOR RESEARCH AND PUBLIC SERVICE STATE UNIVERSITY SYSTEM OF FLORIDA

Program	1991-92	1992-93	1993-94	1994-95
Research	No measures proposed for initial year of reporting for research	Presented plans but no data for three research accountability measures *Planning Directive: Solve Critical Problems in Rapidly Growing State* Goal 4: Increase research and scholarly activities . . . Objective 1: Cite publications *Planning Directive: Forge Partnerships to Help Achieve State Goals* Goal 1: Increase number of contracts and grants received Objective 1: Compare with prior year expenditures Goal 3: Support Enterprise Florida develop economic development plan Objective 1: Win research grants for Federal Defense Conversion Technolgy	Presented information corresponding to prior year plan Measure 41 data by campus Measure 43 data by campus Measure 45 details provided	Presents plans for a different and more limited set of accountability measures Objective 7: Increase research productivity Measure a: Ratio of sponsored to state-funded research
Public Service	No measures proposed for initial year of reporting for public service	Presented plans but no data for eight public service accountability measures *Planning Directive: Solve Critical Problems in Rapidly Growing State* Goal 2: Increase collaboration between universities and public school systems Objective 1: Increase minority participation in teaching Objective 2: Increase number of faculty on school advisory groups Objective 3: Increase number of school personnel advising college Objective 4: Develop in-service training for public school districts Objective 5: Develop R&D agenda in cooperation with public schools Objective 6: Develop techniques to improve student assessment Objective 7: Update teacher training programs for Blueprint 2000 Goal 5: Review types and nature of services activities involving faculty Objective 1: Provide services to state in critical areas of need	Measure 31 describes program Measure 32 data summarized Measure 33 data summarized Measure 34 data by campus Measure 35 data by campus Measure 36 describes program Measure 37 describes program Measure 42 data by campus	Presents plans for a different and more limited set of accountability measures Objective 8: Increase Service Productivity Measure a: Report service activity by constituency group Measure b: Average cost of service

Sources: SUS Accountability Report, December 1992
SUS Accountability Report, December 1993
SUS Accountability Report, January 1995
SUS Accountability Report (draft plan), April 19, 1995

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ISSUES AND RECOMMENDATIONS

Overview

The Commission's analysis of issues related to research and public service funding in the State University System was complicated by the lack of clarity within the SUS and in other university systems about what constitutes research and public service activity, the interrelationships among the funding sources for research and public service programs, and the lack of a commonly accepted set of measurable benefits for research and public service activity. As a result, the Commission's recommendations are based on concerns with current reporting and management systems as well as on issues related to the specific topics identified in the legislative proviso language. Reflecting the current state of the art, recommendations are offered in four broad areas:

- improvements to financial reporting systems,
- management oversight at the system level,
- strengthened programmatic accountability procedures, and
- balance among teaching, research and public service activities.

The recommendations in each area are presented below.

Financial Reporting Systems for Research and Public Service

As noted at various points throughout the report, the analysis was limited by either the lack of information or inconsistencies in available information. Given the considerable amount of state resources being devoted to research and public service, the Commission believes that the SUS should significantly upgrade its capacity to report expenditure information for its research and public service programs.

Recommendations:

1. ***The Board of Regents should review the definition of research and public service contained in Chancellor's Memorandum CM-87-17.2 to determine what adjustments or revisions to those definitions are needed to clarify the purpose and benefits to be derived from such research and public service activities. The Board should:***
   - ***(a) take into consideration the different missions of the ten state universities when adopting such definitions, but should develop guidelines that are consistent and comparable throughout the SUS, and***
   - ***(b) provide a distinction between research that leads to the dissemination of new knowledge from other scholarly activities that enlighten or broaden a professor's range of knowledge or expertise.***

   Further, the Board should review the Board of Regents and United Faculty of Florida (BOR/UFF) Collective Bargaining

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Agreement definitions of research and public service contained in the 1995-1998 Collective Bargaining Agreement to determine what action is needed to bring those definitions into conformity with the CM standard practice definitions of research and public service.

2. ***The Legislature should rely on more effective measures (e.g., accountability plans, performance-based budgeting) to assure appropriate emphasis on instruction and remove the impediments to meaningful faculty effort reporting by abolishing the 12-hour law (Section 240.243 F.S.). The Board of Regents should review the faculty activity reports and associated guidelines that are used throughout the system and take steps to ensure that the reporting categories are the same five as those used in the Instruction and Research (I&R) Expenditure Analysis.***

3. ***The Board of Regents should develop and maintain system-level management reports similar to those used effectively in other states to monitor the level and nature of sponsored program activity in the State University System. The reports should be designed to include information on the commitments to use state funds to satisfy any cost-sharing requirements to receive external grants.***

Oversight for Research and Public Service Resources at System-Level

Through the analysis of the various state policies related to research and public service activities, it became obvious that the Board of Regents has provided little direction for the system's research and public service programs. While acknowledging that most decisions about the nature and depth of research and public service efforts need to be reached at the institutional and even program level, nonetheless the Commission believes that the Board should play a much more active leadership and policy role.

Recommendations:

4. ***The Board of Regents should support the achievement of Goal 5 in the SUS Master Plan by clearly identifying the "critical problems in a rapidly growing state." Once identified, such problem areas should be the focus of a significant portion of the research and public service efforts of the universities.***

5. ***Once the annual appropriation is determined, the Board of Regents should provide guidelines to each university regarding how much faculty time should be made available for departmental research and public service. Administrators should hold faculty more accountable for performance of activity carried out under research and public service assignments.***

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6. ***The Board of Regents should include all research and public service activities that are separately funded at the state level, e.g., the National High Magnetic Field Laboratory, as part of its funding request for I&R centers. Further, the continuing need for, and appropriate funding level of, institutes and centers should be periodically assessed by the Board.***

7. ***To comply with Section 240.245 (2) F.S., the Board of Regents should develop a system-wide definition of what constitutes service to the public schools. The definition should be applicable to all colleges or departments and not just to schools of education. Revisions to the SUS Accountability Plan should include a measure for evaluating service to the public schools.***

System-Level Program Accountability for Research and Public Service Activity

A more important but also more difficult area for improvement is in documenting the outcomes and benefits of SUS research and public service activity. While some of the individual universities can describe certain aspects of their activities with reasonable success, system-level reporting is almost totally lacking.

Recommendations:

8. ***The Board of Regents should develop a limited number of broad but meaningful measures for research and for public service, e.g., the number of projects that address areas of critical state need. Once these measures are developed, the Board should not refine the set of measures on an annual basis but should report the chosen measures consistently over a several year period to enable the analysis and interpretation of trends.***

9. ***As the Board of Regents continues its development of a program framework, separate visibility for research and public service (based on revised definitions as recommended above) should be provided. To the extent possible, the Board should propose the use of the same or a consistent set of measures for performance budgeting as it will adopt for the revised accountability plan.***

Balance in Delivery Structure Among Teaching, Research and Public Service

A final area for recommendations deals with the methods used by the Legislature to fund the SUS. In many ways, the funding approach used over the past several decades has directly contributed to the current concerns about a possible over-emphasis on research and public service in the SUS.

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Recommendation:

10. The Board of Regents and the Legislature should work together to de-couple funding provisions for research and public service programs from the instructional cost factors, especially those for undergraduate education. Instead, the Board should develop a formula based on measures of the need for or outcomes of research and public service activities.